



2021 Residential Incentive Program Proposed Updates

THE CITY OF
COLUMBUS
ANDREW J. GINTHER, MAYOR

DEPARTMENT OF
DEVELOPMENT

City of Columbus Department of Development

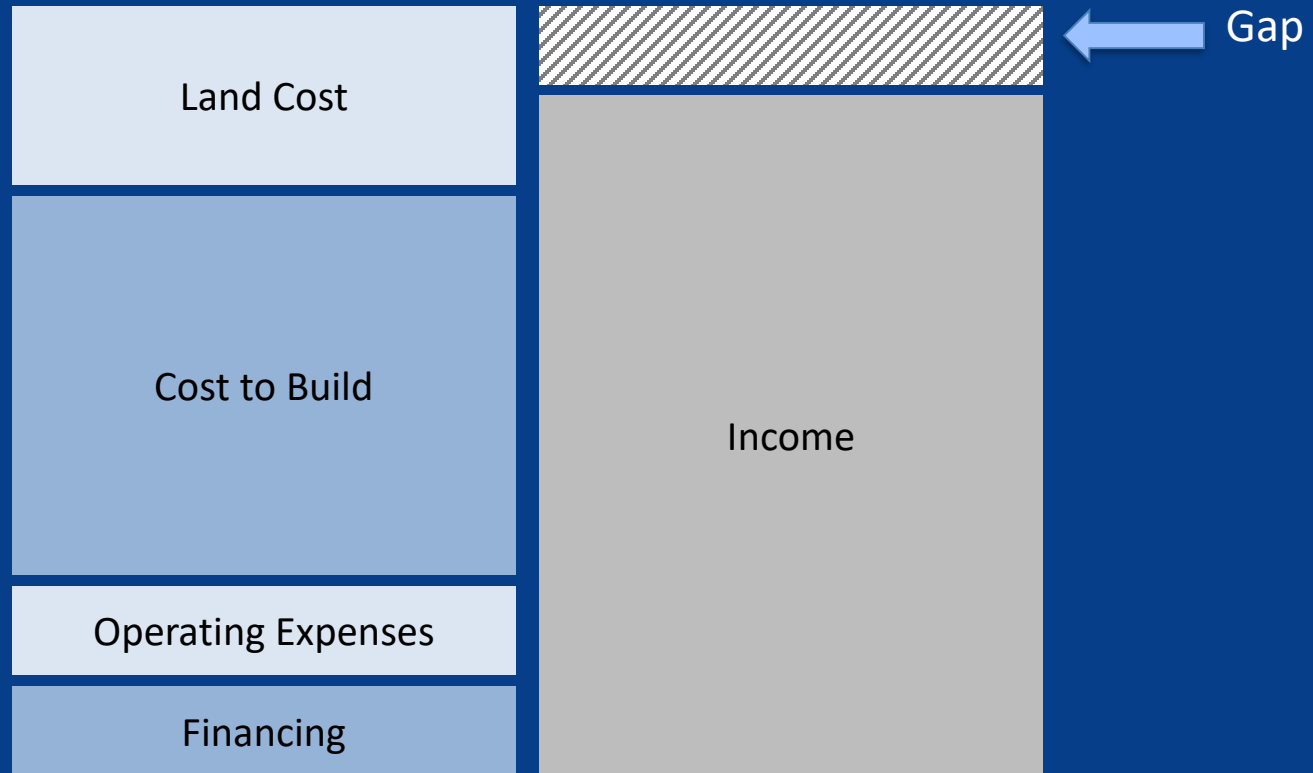
- Welcome
- Introductions



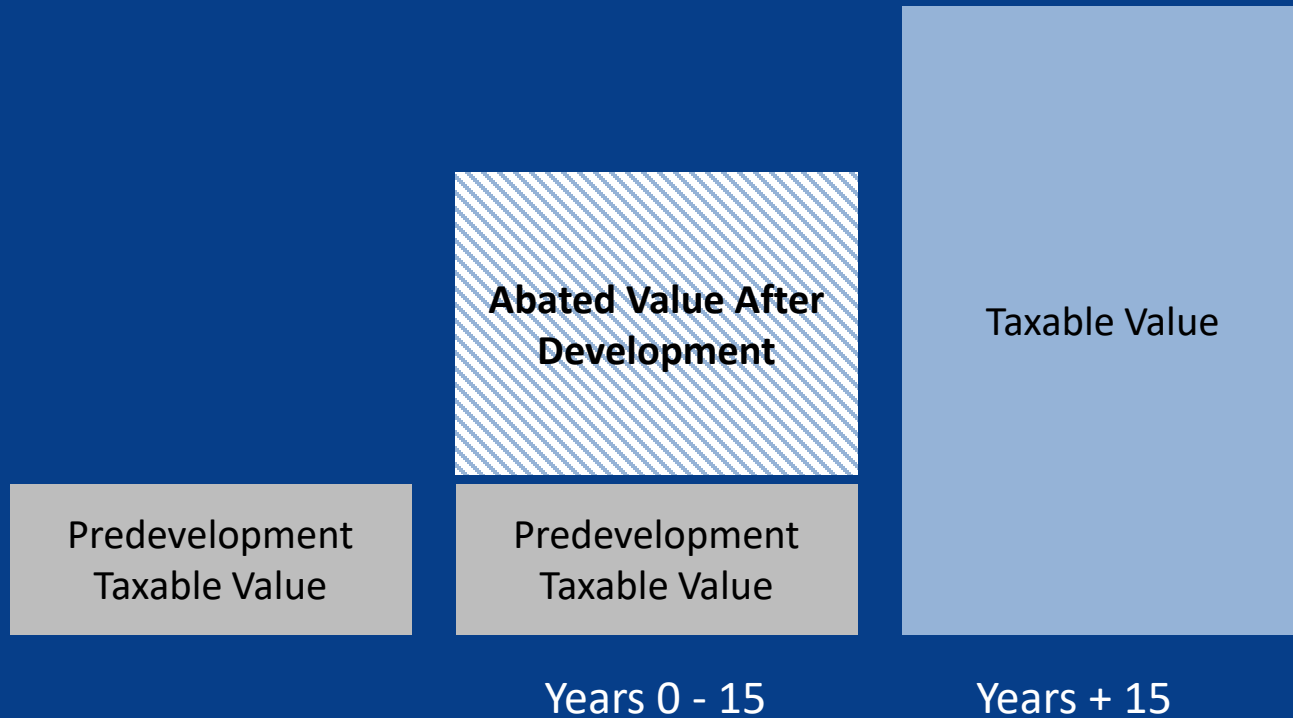
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Columbus Residential Tax Incentive Program



Columbus Residential Tax Incentive Program



Area Median Incomes

	100% AMI	80% AMI	60% AMI
Individual	<p>Earns \$57,800 annually as a teacher or firefighter.</p> <p>Able to pay \$1,445 per month for rent and utilities without being housing cost burdened.</p>	<p>Earns \$46,960 annually as a social worker or electrician.</p> <p>Able to pay \$1,174 per month for rent and utilities without being housing cost burdened.</p>	<p>Earns \$35,220 annually as a veterinary technician or security guard.</p> <p>Able to pay \$880 per month for rent without being rent and utilities without being housing cost burdened.</p>
Family of 4	<p>A couple that together earns \$83,812 working as a bartender and a property manager, or a single parent of three working as a police patrol officer.</p> <p>Able to pay \$2,095 per month for rent and utilities without being housing cost burdened. This household may also carry childcare expenses.</p>	<p>A couple that together earns \$67,050 working as a childcare worker and an administrative assistant, or a single parent of three working as a dietician.</p> <p>Able to pay \$1,676 per month for rent and utilities without being housing cost burdened. This household may also carry childcare expenses.</p>	<p>A couple that together earns \$50,287 working as a cashier and a pharmacy aide, or a single parent of three working as a librarian.</p> <p>Able to pay \$1,257 per month rent and utilities without being housing cost burdened. This household may also carry childcare expenses.</p>

2018 Residential Tax Incentive Study

How effective have incentives been in supporting neighborhood revitalization?

1. Evaluate four target neighborhoods to temperature check the residential market since Columbus is growing.
2. Analyze the development activity in the CRA in the four target neighborhoods between 2011-2016.

How can Columbus support inclusive growth across neighborhoods and what is the role of incentives in that process?

1. Examine each of the four target neighborhoods to determine financial feasibility of residential development.
2. Made recommendations to better align the City's incentive policy with broader community and development objectives.

2018 Residential Tax Incentive Study Recommendations

■ Market-Ready

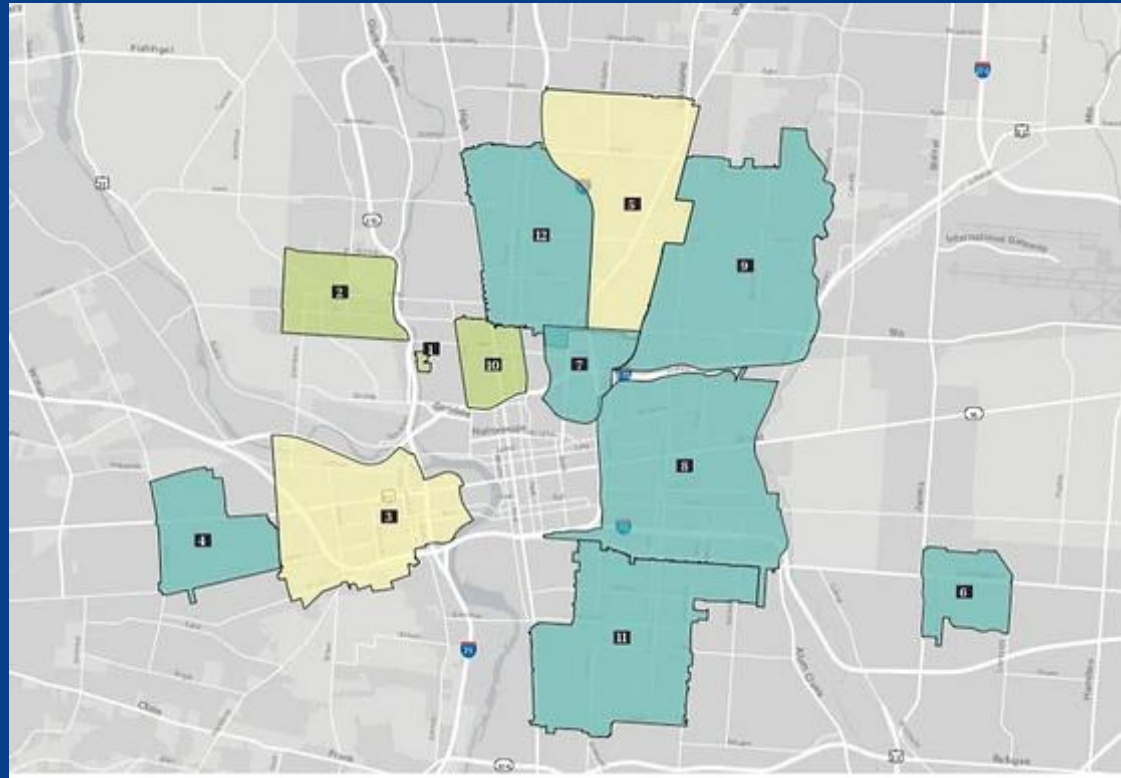
In these neighborhoods, the City can right-size incentives and/or reposition them to support high-quality product that delivers substantial public benefits. Some abatement proceeds could be directed to support citywide revitalization and inclusive growth.

■ Ready for Revitalization

In these neighborhoods, the City can continue abatement use and explore use of additional targeted subsidy to catalyze development.

■ Ready for Opportunity

In these neighborhoods, the City can use abatements to support quality affordable and mixed-income product in the near term



2018 Residential Development Financial Support

AMI Levels	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%
Annual Income – Family of 4	\$0	\$8,312	\$16,762	\$25,143	\$33,524	\$41,906	\$50,287	\$58,668	\$67,049	\$75,430	\$83,812	\$92,193	\$100,574
	Subsidize Construction & Operating				Subsidize Construction								
Market-Ready	Residential Tax Abatement Subsidized Affordable Development									2018 CRA Tax Abatement			
Ready for Revitalization	Residential Tax Abatement Subsidized Affordable Development									2018 CRA Tax Abatement			
Ready for Opportunity	Residential Tax Abatement												

2021 Residential Tax Incentive Update

Have the residential markets in the CRA areas changed since 2018?

1. Update the gap analysis in four neighborhoods to determine value of the abatement in each category.

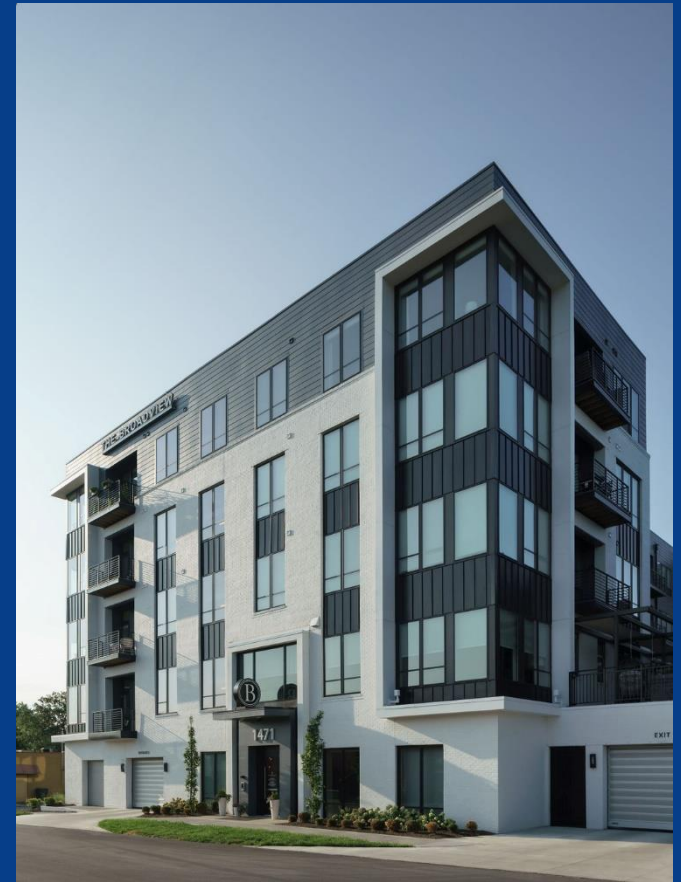
How has the 2018 policy performed?

1. Review criteria used to determine categories
2. Review other terms of the incentive policy



Update the gap analysis in four neighborhoods to determine value of the abatement in each category in 2021.

- Cash-on-Cash Return
- Financing Feasibility
 - Short North
 - Near East
 - Hilltop
 - Linden



2021 Updates – Market Ready Areas

	2018 Current Policy	2021 Proposed Policy
Affordability Criteria	100%, 15-year abatement for inclusion of affordable housing units •10% of units set aside for 80% AMI •10% of units set aside for 100% AMI	100%, 15-year abatement for inclusion of affordable housing units •10% of units set aside for 60% AMI •10% of units set aside for 80% AMI OR 100%, 15-year abatement for inclusion of affordable housing units •30% of units set aside for 80% AMI
Single Family New Construction Eligibility	100%, 15-year abatement for designated affordable housing new construction Not eligible for abatement if market rate	100%, 15-year abatement for designated affordable housing new construction (up to 120% AMI) Not eligible for abatement if market rate
Single Family Rehabilitation Eligibility	100%, 15 year abatement	100%, 15 year abatement, if designated for affordable housing (up to 120% AMI) Not eligible for abatement if market rate
Height Requirement	Five-story height requirement for projects with four or more units	No five story height requirement
Buy-Out Option	Annual payments of 150% of the difference between the lowest market rent and the affordable rent per required affordable unit	No buy-out option
Unit Distribution	No distribution requirement	Requires affordable units set aside match the distribution of units in the building

2021 Updates – Ready for Revitalization

	2018 Current Policy	2021 Proposed Policy
Affordability Criteria	100%, 15-year abatement for inclusion of affordable housing units •10% of units set aside for 80% AMI •10% of units set aside for 100% AMI	100%, 15-year abatement for inclusion of affordable housing units •10% of units set aside for 60% AMI •10% of units set aside for 80% AMI OR 100%, 15-year abatement for inclusion of affordable housing units •30% of units set aside for 80% AMI
Single Family New Construction Eligibility	100%, 15-year abatement	100%, 15-year abatement for designated affordable housing new construction (up to 120% AMI) Not eligible for abatement if market rate
Single Family Rehabilitation Eligibility	100%, 15 year abatement	100%, 15 year abatement for designated affordable housing units (up to 120% AMI) Not eligible for abatement if market rate
Buy-Out Option	One-time payment of \$5,000 per required affordable unit	No buy-out option
Unit Distribution	No distribution requirement	Requires affordable units set aside match the distribution of units in the building

2021 Updates – Ready for Opportunity

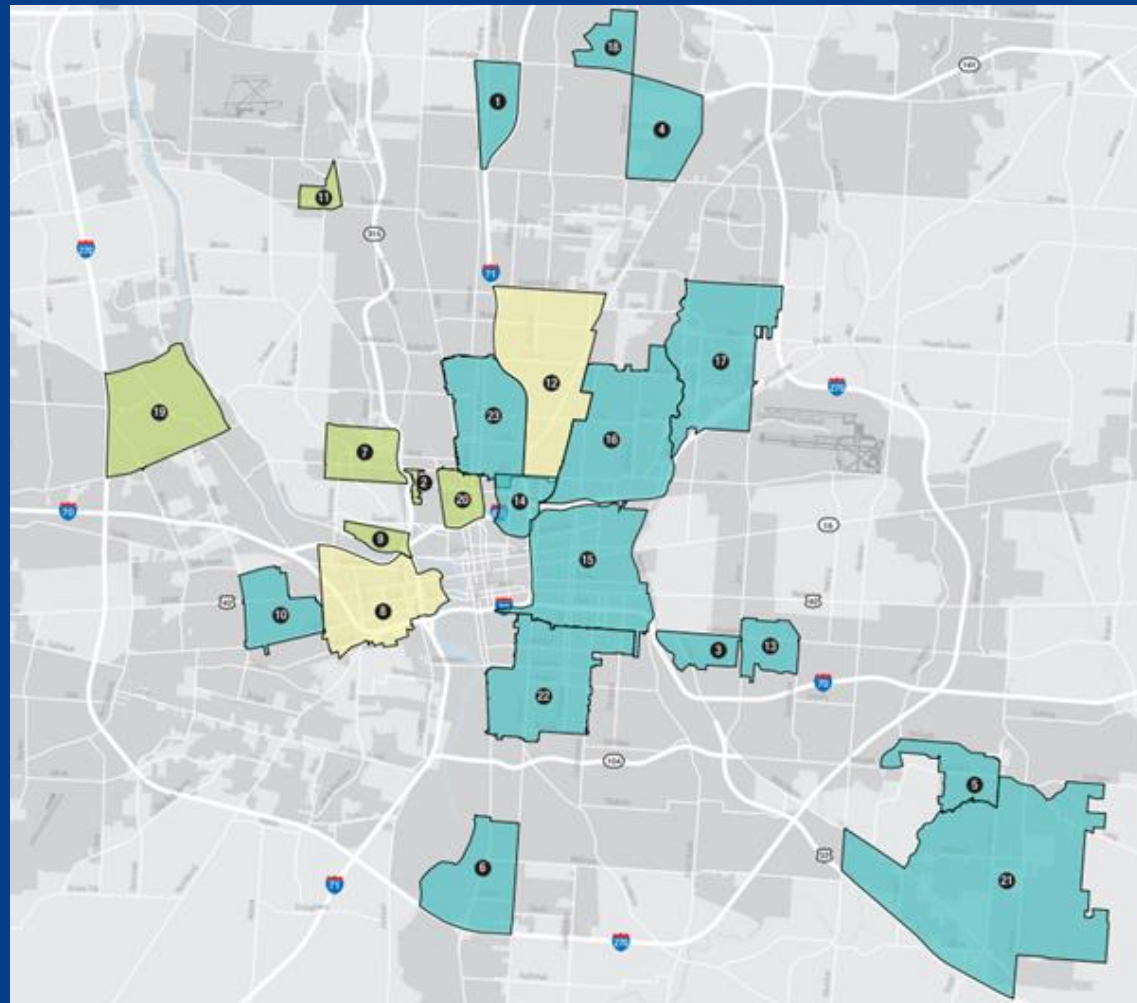
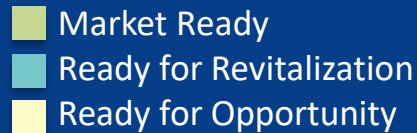
	2018 Current Policy	2021 Proposed Policy
Abatement Offering	100%, 15-year abatement, no additional requirements	100%, 15-year abatement, no additional requirements

2021 Updates – Legacy CRAs

	2018 Current Policy	2021 Proposed Policy
Affordability Criteria	100%, 15-year abatement, no additional requirements	100%, 15-year abatement for inclusion of affordable housing units •10% of units set aside for 60% AMI •10% of units set aside for 80% AMI OR 100%, 15-year abatement for inclusion of affordable housing units •30% of units set aside for 80% AMI
Unit Distribution	No distribution requirement	Requires affordable units set aside match the distribution of units in the building

2021 Updates

- Reviewed distress criteria
- Review Category Assignments



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	Subsidize Construction & Operating			Subsidize Construction										
	Affordable Housing Bond													
Market-Ready	Residential Tax Abatement Subsidized Affordable Development							2018 CRA Tax Abatement						
Ready for Revitalization	Residential Tax Abatement Subsidized Affordable Development							2018 CRA Tax Abatement						
Ready for Opportunity	Residential Tax Abatement													

Questions?

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